

ORIGINAL

NEW APPLICATION



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AZ CORP COMMISSION
DOCKET CONTROL

T-03394A-14-0299

T-02533A-14-0299

August 8, 2014

Via Overnight Delivery

Arizona Corporation Commission

DOCKETED

AUG 11 2014

DOCKETED BY

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

RE: Joint Application for Waiver of Slamming Rules and Discontinuance of Service by MCI Communications Services, Inc. d/b/a Verizon Business Services and Teleconnect Long Distance Services and Systems Company

Dear Sir or Madam:

Enclosed for filing please find the original and thirteen (13) copies of the above-referenced filing submitted on behalf of MCI Communications Services, Inc. d/b/a Verizon Business Services and Teleconnect Long Distance Services and Systems Company.

Please acknowledge receipt of this filing by returning, file-stamped, the extra copy of this cover letter in the self-addressed, stamped envelope enclosed for this purpose.

Any questions you may have pertaining to this filing should be directed to my attention at (407) 740-3004 or Rnorton@tminc.com.

Sincerely,

Robin Norton
Consultant to Verizon Business

cc: Gail Garey - Verizon (via email)
file: Verizon Business - Arizona
tms: AZx1401

Enclosures
RN/lm

BEFORE THE ARIZONA CORPORATION COMMISSION

BOB STUMP, Chairman
GARY PIERCE
BRENDA BURNS
SUSAN BITTER SMITH
BOB BURNS

IN THE MATTER OF THE APPLICATION OF)
MCI COMMUNICATIONS SERVICES, INC. DBA)
VERIZON BUSINESS SERVICES AND TELECONNECT) **DOCKET NO. _____**
LONG DISTANCE SERVICES AND SYSTEMS COMPANY)
FOR WAIVER OF SLAMMING RULES)

**JOINT APPLICATION FOR WAIVER OF SLAMMING RULES
AND DISCONTINUANCE OF SERVICE**

Teleconnect Long Distance Services and Systems Company ("Teleconnect") and MCI Communications Services, Inc. d/b/a Verizon Business Services ("MCI") hereby seek approval of a waiver of the Commission's slamming rules as set forth in AAC R-14-2-1901 to 1913 pursuant to a planned transfer of customers from Teleconnect to its affiliate, MCI. Applicants also seek approval of the discontinuance by Teleconnect of its interexchange services in Arizona and cancellation of all its authorities and tariffs as well as a waiver of the notice and publication requirements in the discontinuance rules. Applicants also request a grant of any other approvals necessary to effect this transaction.

By way of information, both applicants were granted limited waivers of AAC R-14-2-804, the Commission's Affiliated Transaction rules as part of a larger filing submitted by the affiliates of MCI Worldcom, Inc. and approved by Decision No. 62702 issued June 30, 2000 in DNs T-02431A-00-0228 and DN T-03394A-00-0228.

This transaction is part of a multi-state effort to consolidate certain Verizon subsidiaries and is therefore an internal corporate reorganization as described below. The Applicants are coordinating proceedings in multiple states with an expected implementation date of October 15, 2014. Accordingly, applicants request approval no later than at the Commission's October Open Meeting, to allow sufficient time for processing and implementation.

I. The Parties

Teleconnect was incorporated under the laws of the State of Iowa on November 20, 1986. Its principal office is located in Basking Ridge, New Jersey. The company was authorized to provide resold intraLATA and interLATA toll service in DN T-02533A-89-0149 by Decision No. 62312 issued February 17, 2000. Teleconnect is ultimately owned and controlled by Verizon Communications Inc., a publicly traded corporation with subsidiaries in the United States and other countries providing telecommunications and other services. Teleconnect provides resold long distance service including toll-free and calling card services in Arizona. The company also provides 10 10 dial around and operator services for casual calling customers.

MCI was incorporated under the laws of the State of Delaware on January 3, 1992. Its principal offices are also located in Basking Ridge, New Jersey. The company that is now MCI Communications Services, Inc. d/b/a Verizon Business Services was authorized to provide interLATA and intraLATA interexchange services pursuant to Decision No. 54507 issued May 1, 1985 in DN U-2431-83-310. MCI currently offers interexchange services in Arizona. MCI is also ultimately owned and controlled by Verizon Communications Inc.

II. The Transaction

Teleconnect's customers in all states in which it operates will be transferred to MCI beginning on or after September 1, 2014, subject to required regulatory approvals. Following the transfer, these customers will be served by MCI. MCI's tariff will be revised to incorporate Teleconnect's services as applicable. Teleconnect will cease to operate and seeks cancellation of all applicable authorities and tariffs to the extent required.

III. Scope of the Application

Applicants seek a waiver of the Commission's slamming rules as set forth in AAC R-14-2-1901 to 1913; approval for discontinuance of Teleconnect's interexchange service under AAC R-14-2-1107; and such other approvals that may be deemed necessary. Applicants are exempt from the statute that applies to mergers by public service corporations, A.R.S. § 40-285 because they exclusively provide competitive, interexchange services.

IV. Waiver of Slamming Rules

Applicants seek a waiver of AAC R-14-2-1901 to 1913 and any other applicable slamming regulations that may be inconsistent with the FCC's rules regarding the transfer of customer bases.

Written notice of the proposed transfer was provided to all Teleconnect customers on or about August 1, 2014. The customer notifications advise customers of the following:

- (1) the pending change of their interexchange service carrier selection to MCI;
 - (2) there will be no impact on their service (except as otherwise specified in the notice);
 - (3a) for most customers, there will be no change to rates, terms or conditions of service;
 - (3b) for the few whose service and rates are not available on the MCI billing platform, a description and detail of their proposed new service and rates;
 - (4) there will be no charges associated with their change to MCI as their interexchange carrier;
- and
- (5) they have the option to select a different service provider if they prefer, with no penalty from Teleconnect.

The notifications include the toll free numbers that customers may call for more information. A copy of the customer notifications are attached as Exhibit A.

Because the notices provide information regarding any potential impact on rates, terms and conditions of service, and because it informs customers that they may subscribe to the telecommunications service provider of their choice, a waiver of these regulations is appropriate and consistent with past Commission decisions.

V. Approval of Discontinuance of Interexchange Service by Teleconnect

Applicants request approval for discontinuance of Teleconnect's interexchange service pursuant to AAC R-14-2-1107 in the event the Commission determines such approval is necessary. To be clear, services will not be discontinued to any customer because Teleconnect's former customers will be served by MCI, unless they choose another service provider. Following the transfer, Teleconnect will cease to exist and hereby requests cancellation of its CCN and all applicable tariffs effective upon the consummation of the transaction.

The Applicants respectfully request that the Commission waive the notice and publication requirements in the discontinuance rule. The number of customers involved is extremely small and, as noted above, customers are receiving direct notice of the change in service as required by the FCC. Because the customers will continue to receive service, a second notice of discontinuance will be confusing to customers and in this instance should not be required.

VI. Contact Information

For the purposes of this filing, questions or any correspondence, orders, or other materials should be directed to the following contacts for the Parties:

Correspondence, questions and/or any other materials with regard to this filing should be sent to:

Robin Norton
Consultant to MCI and Teleconnect
Technologies Management, Inc.
2600 Maitland Center Parkway, Suite 300
Maitland, FL 32751
Telephone: 407-740-3004
Facsimile: 407-740-0613
Email: Rnorton@tminc.com

with a copy sent to:

Gail Garey
Senior Consultant
MCI Communications Services, Inc. d/b/a
Verizon Business Services
6415-6455 Business Center Drive
Highlands Ranch, CO 80130
Telephone: 303-305-1563
Email: Gail.garey@verizon.com

VII. Relief Requested

Teleconnect Long Distance Services and Systems Company and MCI Communications Services, Inc. d/b/a Verizon Business Services request that the Commission waive the Commission's slamming regulations, AAC R-14-2-1901 to 1913; approve (if deemed necessary by the Commission) the discontinuance of Teleconnect's interexchange service under AAC R-14-2-1107 and the cancellation of its CCN and applicable tariffs; and provide such other approvals as the Commission deems necessary for the Applicants to complete the transactions described in this Application. The parties respectfully request that the Commission approve the transaction no later than the October 2014 Open Meeting.

As both applicants have been granted limited waivers of AAC R-14-2-804, applicants are not seeking approval of the actual transfer of customers pursuant to Decision No. 62702 issued June 30, 2000 in DNs T-02431A-00-0228 and DN T-03394A-00-0228.

**STATE OF VIRGINIA
COUNTY OF LOUDOUN**

VERIFICATION

I, Caren Forsten, hereby declare, under penalty of perjury, that I am employed by Verizon Communications Inc., which is the ultimate parent and owner of both Teleconnect Long Distance Services & Systems Company ("Teleconnect") and MCI Communications Services, Inc. d/b/a Verizon Business Services ("MCI"); that I have responsibility for directing the consumer and small business customer operations of Teleconnect and MCI; that I am authorized to make this verification on behalf of both named companies; that I have read the foregoing; and that the facts stated therein are true and correct to the best of my knowledge, information and belief.

Caren Forsten

Caren Forsten, Director

Verizon Communications Inc., parent and ultimate owner of
Teleconnect Long Distance Services & Systems Company and
MCI Communications Services, Inc. d/b/a Verizon Business Services

Sworn to and subscribed before me this 7th day of August, 2014

Glenn H. Benzel
Notary Public

My Commission expires:

10/31/2014



Teleconnect Long Distance Services and Systems Company

and

MCI Communications Services, Inc. dba Verizon Business Services

Exhibit A

Customer Notifications

Telecom*USA
P.O. Box 31301
Salt Lake City, UT 84130-1301

MCI
P.O. Box 31303
Salt Lake City, UT 84130-1303



0001 0001 00001 01 SP 0.480
[REDACTED]



August 1, 2014

RE: [REDACTED]

**IMPORTANT NOTICE REGARDING A CHANGE
IN YOUR LONG DISTANCE SERVICE**

Dear [REDACTED],

This letter is to inform you of the forthcoming transfer of your long distance service from Teleconnect Long Distance Services & Systems Company doing business as Telecom*USA to MCI Communications Services, Inc. doing business as Verizon Business Services (MCI) on or after **September 1, 2014 (Transfer Date ¹)**. Following the transfer, MCI will assume responsibility for all services previously provided to you by Telecom*USA.

Please rest assured there will no interruption to your services. Your long distance service will not be disrupted in any way by this change. However, your billing will move to a newer, easier-to-read format, and your pricing and services will change as outlined below. **No action is required from you to continue your service(s) with MCI.**

You will have a new account with MCI and your new monthly bill will come from MCI. Your pricing will change to the MCI Nationwide rate plan which is \$7.95 per month and offers \$0.06 cents per minute for state-to-state long distance, instate rates vary by state.

The minimum usage fee is \$9.99 per month. So in any given month, if your usage charges are less than \$9.99, you will be billed the difference between the usage charges and the minimum fee so that your monthly charges equal a minimum of \$9.99. The \$7.95 MCI Nationwide monthly service fee does contribute to the \$9.99 minimum. Details of your new rate plan are available at: http://consumer.mci.com/mci_service_agreement/res_domestic_services_current_plans.jsp. You will not incur any charges for the automatic transfer to MCI, but, additional taxes and surcharges may apply, including a Paper Billing Fee of \$1.99 per account.

Please make all future payments to your new account using the remit-to address shown on your new MCI invoice. You will receive a final bill from Telecom*USA and will be responsible for any outstanding charges.

¹ Transfer Date is subject to regulatory approval in certain states.

(Continued on other side)

You have the right to select a different carrier for your long distance service(s). If you do not wish to receive service from MCI, you should select an alternate carrier directly (or through your local carrier) and make arrangements to transfer your service to the alternate carrier before **September 1, 2014**. If you choose to switch to an alternate carrier, you may incur a fee from that alternate carrier for the transfer of your services. There is no penalty from Telecom*USA for selecting a different carrier prior to the Transfer Date.

If you have a long distance preferred carrier freeze, Telecom*USA will contact your local service provider to transition your service to MCI. If you want to change to another carrier, you must first contact your local service provider to lift the preferred carrier freeze. Once your service has been transferred to MCI or another carrier, you can contact your local service provider to re-establish the freeze.

Please note that if you are a customer of Telecom*USA on the Transfer Date, your account will automatically be transferred to MCI.

After your service has been transitioned to MCI, you will be notified in advance of any future changes to these rates, terms and conditions on your monthly invoice, by a post card or letter, by our calling and speaking to you, by leaving a message with you, by e-mail, with your consent, or by publication on the Company's website.

If you have any questions about this transition or about your service or billing, you may seek assistance as follows:

For inquiries or complaints prior to the Transfer Date, you may contact a Telecom*USA customer service representative at 1-800-777-2321.

For inquiries or complaints after the Transfer Date, you may contact an MCI customer service representative at 1-800-444-3333.

About MCI

MCI is affiliated with Telecom*USA. Both companies are ultimately owned and controlled by Verizon Communications Inc., a publicly traded company.

We thank you for your business and look forward to providing you with quality service.

Sincerely,

Telecom*USA
MCI

Telecom*USA
P.O. Box 31301
Salt Lake City, UT 84130-1301

MCI
P.O. Box 31303
Salt Lake City, UT 84130-1303



0001 0000 00001 01 MB 0.435



August 1, 2014

RE:

**IMPORTANT NOTICE REGARDING A CHANGE
IN YOUR LONG DISTANCE SERVICE**

Dear

This letter is to inform you of the forthcoming transfer of your long distance service from Teleconnect Long Distance Services & Systems Company doing business as Telecom*USA to MCI Communications Services, Inc. doing business as Verizon Business Services (MCI) on or after **September 1, 2014 (Transfer Date¹)**. Following the transfer, MCI will assume responsibility for all services previously provided to you by Telecom*USA.

Please rest assured there will be no interruption to your services. You will retain your current service with no changes to rates, features, or terms and conditions. You will not incur charges for the transfer of your service(s) to MCI. **No action is required from you to continue your service(s) with MCI.**

You have the right to select a different carrier for your long distance service(s). If you do not wish to receive service from MCI, you should select an alternate carrier directly (or through your local carrier) and make arrangements to transfer your service to the alternate carrier before **September 1, 2014**. If you choose to switch to an alternate carrier, you may incur a fee from that alternate carrier for the transfer of your services. There is no penalty from Telecom*USA for selecting a different carrier prior to the Transfer Date.

If you have a long distance preferred carrier freeze, Telecom*USA will contact your local service provider to transition your service to MCI. If you want to change to another carrier, you must first contact your local service provider to lift the preferred carrier freeze. Once your service has been transferred to MCI or another carrier, you can contact your local service provider to re-establish the freeze.

Please note that if you are a customer of Telecom*USA on the Transfer Date, your account will automatically be transferred to MCI.

After your service has been transitioned to MCI, you will be notified of any future changes to these rates, terms and conditions on your monthly invoice, by a post card or letter, by our calling and speaking to you, leaving a message with you, by e-mail, with your consent, or publication on the Company's website.

If you have any questions about this transition or about your service or billing, you may seek assistance as follows:

¹ Transfer Date is subject to regulatory approval in certain states.

(Continued on other side)

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For inquiries or complaints after the Transfer Date, you may contact an MCI customer service representative at 1-800-444-3333.

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We thank you for your business and look forward to providing you with quality service.

Sincerely,

Telecom*USA
MCI

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P.O. Box 31301
Salt Lake City, UT 84130-1301

MCI
P.O. Box 31303
Salt Lake City, UT 84130-1303

Telecom★USA

0001 0001 00001 01 SP 0.480
[REDACTED]



August 1, 2014

RE: [REDACTED]

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Dear [REDACTED],

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Please rest assured there will be no interruption to your services. Your long distance and/or toll free service will not be disrupted in any way by this change. However, your billing will move to a newer, easier-to-read format, and your pricing and services will change as outlined below. **No action is required from you to continue your service with MCI.**

You will have a new account with MCI and your new monthly bill will come from MCI. Your pricing will change to the MCI Business Value Extra rate plan, which offers \$0.07 cents per minute for state-to-state long distance, in-state rates vary by state.

If you have toll free service, your new state-to-state rate is \$0.07 cents per minute, your new in-state rate is \$0.07 cents per minute and your new local toll rate is \$0.07 cents per minute plus a \$5.00 monthly service charge.

The minimum usage fee is \$10.00 per month. So in any given month, if your usage charges are less than \$10.00, you will be billed the difference between the usage charges and the minimum fee so that your monthly charges equal a minimum of \$10.00. The \$5.00 toll free monthly service fee does not contribute to the \$10.00 minimum. Details of your new rate plan are available at: http://consumer.mci.com/mci_service_agreement/sb_domestic_services_current_plans.jsp. You will not incur any charges for the automatic transfer to MCI, but, additional taxes and surcharges may apply, including a Paper Billing Fee of \$1.99 per account.

Please make all future payments to your new account using the remit-to address shown on your new MCI invoice. You will receive a final bill from Telecom*USA and will be responsible for any outstanding charges.

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After your service has been transitioned to MCI, you will be notified of any future changes to these rates, terms and conditions on your monthly invoice, by a post card or letter, by our calling and speaking to you, by leaving a message with you, by e-mail, with your consent, or by publication on the Company's website.

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For inquiries or complaints after the Transfer Date, you may contact an MCI customer service representative at 1-800-444-2222.

About MCI

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We thank you for your business and look forward to providing you with quality service.

Sincerely,

Telecom*USA
MCI